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PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #4967/01 2970801  
ZNR UUUUU ZZH  
P 240801Z OCT 07  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 8889  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
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RULSDMK/USDOT WASHDC PRIORITY  
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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 10/24/07

Index:

- (1) US Assistant Secretary of State Hill expresses hope for delisting North Korea as state sponsor of terrorism (Nikkei)
- (2) Civilian control rocked (Asahi)
- (3) Editorial: Impediments to Diet deliberations on new refueling legislation must be eliminated swiftly (Nikkei)
- (4) Why rare-metal diplomacy now, Mr. Amari?: Sense of urgency toward resource resource-rich countries enclosing their resources (Asahi)
- (5) Attaining target set in Kyoto Protocol still difficult despite industries' additional measures (Nikkei)
- (6) Former Defense Minister Koike in her book criticizes Moriya (Asahi)

ARTICLES:

- (1) US Assistant Secretary of State Hill expresses hope for delisting North Korea as state sponsor of terrorism

NIKKEI NET (Full)  
13:06, October 24, 2007

Hiroshi Maruya, Washington

The Japanese and US chief delegates to the six-party talks on North Korea's denuclearization held talks at the State Department on Oct. 23 and agreed to begin disabling the nuclear facilities in Yongbyon on Nov. 1. They also confirmed close cooperation between Japan and the United States in delisting North Korea as a state sponsor of terrorism by the United States. After the meeting, Assistant Secretary Hill told reporters: "The United States has always aimed

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at removing countries from the list of nations sponsoring terrorism."

Although Hill's statement is a general argument for eradicating terrorism, it is taken as expressing US anticipation of conditions allowing Washington to delist North Korea as a state sponsor of terrorism.

Foreign Ministry Asian and Oceanian Affairs Bureau Director-General Kenichiro Sasae indicated to the press that there must be progress on the abduction issue, saying: "We have agreed on the need for progress in outstanding issues between Japan and North Korea, along with those between the United States and North Korea." Hill said, "We would like to push ahead with matters in a way to strengthen all relations, including those between the United States and North Korea and between Japan and North Korea."

(2) Civilian control rocked

ASAHI (Page 2) (Slightly abridged)  
October 23, 2007

The director of a division in charge was aware of an error in the amount of fuel supplied. This director, however, did not report the error to the top brass. Consequently, Prime Minister Fukuda made a

TOKYO 00004967 002 OF 009

mistake in his official announcement of it when he was chief cabinet secretary (in 2003). The government mistook the quantity of fuel

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provided by the Maritime Self-Defense Force to a US Navy oiler in the Indian Ocean. This issue has now developed into a serious problem concerning civilian control, in addition to the suspected diversion of MSDF-supplied fuel for US military operations in Iraq. Meanwhile, a special legislative measure for refueling assistance is now before the Diet. As a premise to deliberate on the legislation, the Democratic Party of Japan (Minshuto) and other opposition parties are taking a serious view of this problem as well as former Administrative Vice Defense Minister Takemasa Moriya's collusive relationship with a defense contractor. Dark clouds are now looming over the possibility of the legislation's enactment during the current Diet session.

Report unnatural

"It's really regrettable. If such things happen daily, I feel quite wretched about it." With this, Prime Minister Fukuda was apparently upset yesterday evening at the cover-up of such an error in the amount of fuel supplied to a US warship in the Indian Ocean.

On May 9, 2003, Fukuda met the press as chief cabinet secretary. In his press briefing, Fukuda, based on the wrong data, announced that the MSDF provided 200,000 gallons to a US Navy oiler. However, the Maritime Staff Office had grasped the error before the press briefing. The prime minister therefore was criticizing those in charge at the time. However, he did not forget to deny his responsibility, too.

The Defense Ministry, in its report, denied any organized cover up, laying the onus on "the director of a division in charge and others." The Defense Ministry report explained that the error was not made known to the MSDF chief of staff and the director general of the Defense Agency at that time, now the Defense Ministry. The report also stressed that even the agency's internal bureau officials did not know about it.

However, one of those aware of the circumstances in those days notes that the Defense Agency's internal bureaus might have also grasped the error in their checks on accounting related to defense equipment.

The Defense Ministry says in its report that only one of the MSO's divisions in charge grasped the error. In fact, however, there are also many unnatural points about such an explanation.

What triggered the issue of fuel diversion was a statement that came on May 6, 2003, from US Navy Carrier Battle Group 5's Rear Adm. Matthew Moffit, who commands the USS Kitty Hawk, a US Navy aircraft carrier homeported at Yokosuka. On the same day, the Kitty Hawk returned to Yokosuka from its Iraq war mission. The rear admiral then revealed that the Kitty Hawk was indirectly refueled with 800,000 gallons from the MSDF through a US Navy tanker.

Two days after that, however, Tohru Ishikawa, the then chairman of the Self-Defense Forces' Joint Staff Council, announced in his May 9 press briefing that the amount of fuel supplied to the US oiler was "approximately 200,000 tons." At that point of time, "200,000" and "800,000" were announced one after another.

The Japanese and US sides differed on the figure in their

TOKYO 00004967 003 OF 009

announcements. The MSO division in charge and the top brass should have checked why there were two different figures. Moreover, according to the Defense Ministry report, accurate data was cabled and emailed from an MSDF squadron in the Indian Ocean to the MSDF chief of staff on the day after an MSDF supply ship refueled the US oiler.

Nevertheless, the government, based on what the JSC chairman said in his press briefing, created a guideline of answers to be given if asked in the Diet. Based on this guidance, Chief Cabinet Secretary Fukuda and Defense Agency Director General Ishiba, both at that time explained that the MSDF provided "approximately 200,000 gallons."

"Apparently, the Defense Ministry is passing the buck to the rank and file," said Kenji Yamaoka, chairman of the DPJ's Diet affairs committee. "The government is clearly trying to bring this issue to a close by making someone else carry the can," Yamaoka added. As noted by Yamaoka, the government will inevitably be called into question for its poor way of doing things.

The Defense Ministry came up with its report. At that time, the government's critical awareness was also thin.

The Defense Ministry briefed the ruling coalition of the Liberal Democratic Party and New Komeito yesterday morning on its report. At that time, the Defense Ministry report incorporated no plans to set up a review committee to ensure civilian control. It only said the Defense Ministry would conduct a "further fact-finding survey."

Therefore, the New Komeito did not approve the report, claiming that the Defense Ministry should be seriously concerned about the problem from the perspective of civilian control, study measures including punishment, and set up a review committee to ensure civilian control. The Defense Ministry, urged by the LDP's coalition partner to incorporate these three points, amended the report in a flurry.

Even more difficulties in store for legislation

The government and the ruling coalition held a consultative meeting yesterday afternoon in the Diet. Executives from the ruling parties criticized the MSO for its cover-up of the error in the amount of fuel supply.

In the meeting, Tadamori Oshima, chairman of the LDP's Diet affairs committee, said: "I told the Defense Ministry to create a steadfast system to ensure civilian control. At the same time, I also told the Defense Ministry to spell out the punishments for those involved in this case."

Also, Yoshio Urushibara, chairman of New Komeito's Diet affairs committee, said: "They made the minister of state and the chief cabinet secretary give the wrong answer. That's outrageous."

Both Oshima and Urushibara voiced a sense of crisis, deeming it even more difficult to get the new refueling assistance legislation through the Diet.

Meanwhile, it was brought to light that former Administrative Vice Defense Minister Moriya used to play golf with a defense contractor. This fact alone is a serious blow to the government. However, the ruling parties insisted that Moriya's golfing scandal should not be linked to the legislation. The ruling and opposition parties agreed

TOKYO 00004967 004 OF 009

last weekend to enter into Diet deliberations in a plenary sitting today of the House of Representatives. The ruling coalition was optimistic about starting full-fledged deliberations tomorrow in Diet committee meetings.

However, the Defense Ministry would have to make up for its clumsy report on the MSO's cover-up of the error over the MSDF's fuel supply. This issue is even likely to spark over the Defense Ministry itself. It dates back to a time when Moriya was in the post of administrative vice defense minister, so it has now become extremely difficult to separate this issue from Moriya's golfing scandal.

DPJ President Ozawa yesterday met his party's policy board members and others at party headquarters. "We will take our time to make our counterproposal," Ozawa said. "First of all," he added, "we will ask Prime Minister Fukuda about his false reply that he made in the Diet when he was chief cabinet secretary." In line with this course of action, the DPJ will not be in a hurry to present its own legislative measure. Instead, the DPJ will drive the ruling coalition to give up the government's new refueling assistance legislation.

The government and ruling parties now have got into a scrape. Even so, the ruling coalition cannot easily give up. On Oct. 19, US Ambassador to Japan Schieffer asked the prime minister again to continue the MSDF's refueling activities. In early November, shortly before the Diet winds up its current session, US Secretary of Defense Gates will come to Japan. The prime minister plans to visit the United States in mid-November for his first foreign trip. "It's important to show our continued efforts to pass the bill," a high-ranking government official said.

(3) Editorial: Impediments to Diet deliberations on new refueling legislation must be eliminated swiftly

NIKKEI (Page 2) (Full)  
October 24, 2007

Deliberations on a bill to continue the Maritime Self-Defense Force's refueling operation in the Indian Ocean began at a House of Representatives plenary session yesterday.

The Defense Ministry and the Self-Defense Forces have been hit by a series of improprieties, such as a scandal involving former Vice-Defense Minister Takemasa Moriya, a cover-up of an error made in accounting for fuel provided to a US oiler by the MSDF, and the disposal of a ship's logbook. Some think the refueling legislation is unlikely to clear the Diet in the current session, since these issues will likely bog down discussions. The obstacles must be eliminated swiftly.

Although the three irregularities are not directly connected to the new legislation, they contain serious problems that concern the credibility of defense administration. One cannot say that the opposition camp's intention to link them to Diet discussions on the new legislation is unreasonable.

Of the three cases, investigative reports have been released on the two involving the MSDF. The Defense Ministry must speedily determine and punish those responsible.

The cover-up of the incorrect amount of fuel provided by the MSDF is

TOKYO 00004967 005 OF 009

especially serious.

Under civilian control, the concealment of inconvenient facts by military organizations could lead lawmakers to determine policies based on incorrect information. There is no shortage of international accounts of national security being jeopardized by similar incidents. In order to prevent a recurrence, those responsible must be severely punished.

The case contains many problems. If the officer responsible for the matter had not been aware of the graveness of the concealment, it was too sloppy, and if he had knowingly covered it up, that was vicious. Although the then Maritime Staff Office section chief has already retired, he must testify before the Diet to clarify all the facts as a responsible former SDF officer.

Moriya's case is more complex. The truth is being uncovered. It might escalate into a criminal case.

If Moriya had a grain of pride as a former vice defense minister, he would have voluntarily offered an explanation at the Diet. There is every reason for the Diet to summon him as a sworn witness.

Nevertheless, basing Diet discussions on the new refueling legislation on his Diet testimony is going too far. The Moriya case is a government impropriety that must be elucidated by combined efforts by all lawmakers across party lines.

It is the Diet's responsibility to eliminate all the hindrances to Diet discussions on the new refueling legislation to reach an agreement. The international community is watching it closely. Diet deliberations on the new legislation must go on regardless of the Moriya and the Maritime Staff Office scandals.

(4) Why rare-metal diplomacy now, Mr. Amari?: Sense of urgency toward resource-rich countries enclosing their resources

ASAHI (Page 9) (Full)  
October 24, 2007

Following a sharp rise in the prices of rare metals, materials that are necessary to manufacture high-tech products, the government intends to help the private sector secure interests through active use of diplomatic means. Asahi Shimbun asked Economy, Trade and Industry Minister Amari why his ministry will focus on rare-metal diplomacy?

? Why did rare metals, which are being used only by some industry sectors, crop up as a key diplomatic agenda?

"Japan is a goods-manufacturing country. It must manufacture goods using state-of-the-art technology. Manufacturing such products requires rare metals. The number of rare metal-producing countries is more limited than of oil-producing countries. It would be very effective, if the prime minister or a cabinet minister visit rare metal-producing countries in order to create government-to-government relations."

? Isn't it possible to leave the job to the private sector?

"The rare metal industry is one set with the government in such

TOKYO 00004967 006 OF 009

resource-rich countries. Even if persons from the private sector go to such a country, they would find it difficult to gain local trust. Furthermore, the rise of Asian countries has made the supply-and-demand situation of resources tight. Resource-rich countries are trying to control or enclose their resources. The age of leaving the matter to the private sector and procuring products on the market is over. Japanese companies do not have the strength

or political bargaining power like international oil majors. If government-affiliated organs get involved by such means as making investment or extending loans, then the government can have a say."

? It appears that the government is in a panic due to the sharp rise in prices.

"We have a natural resources reserve system. However, demand is exceeding stockpiles. Resource-rich countries now do not sell their products at low prices so easily. The conventional approach is limited in what it can do."

? On which region are you focusing?

"Japan must deepen its relations with China a rare-metal resources power. At the same time, it must nurture many resource-rich countries that compete with China. We must keep a close watch on Africa, a resource-rich continent. We will make it self-supportive, by combining the search for undiscovered resources and the government's official development assistance (ODA). Japan needs resources, and African nations want to further develop their own countries, financed by their natural resources. We can establish a win-win relationship this way."

? China is also advancing into Africa in pursuit of resources using its economic clout.

"We will show that our approach is government-backed, by having the prime minister or cabinet ministers making the appeal that we have government-affiliated organs, such as the Japan Oil, Gas and Metals National Corporation (JOGMEC). Japan has know-how to help them give value-added to the resources and to develop the industry. I will say to them, 'The Japanese method is correct from a long-term perspective for the independence of their countries.'"

? What is your strategy against export restrictions set by China, which is also a rare-metal supplier?"

"I told China that resource suppliers can stand on their own only when the world economy is on the right track. It is important to create an economically dependent relationship with China in which China supplies raw materials and Japan manufactures high-performance parts, with China then assembling finished products."

(Interviewer Yusuke Murayama)

(5) Attaining target set in Kyoto Protocol still difficult despite industries' additional measures

NIKKEI (Page 3) (Excerpts)  
October 24, 2007

In a meeting yesterday of the joint committee of officials from the Environment Ministry and the Economy, Trade and Industry Ministry (METI), four industries presented their respective action plans to

TOKYO 00004967 007 OF 009

voluntarily reduce greenhouse gas emissions. With these, all industries' plans have been present. Under the plans, their carbon dioxide (CO2) emissions would be reduced by another 20 million tons, getting one step closer to the nation's target set in the Kyoto Protocol. But it is uncertain whether they will be able to implement their plans. Even if the plans are actually carried out, attaining the target will be difficult, because more greenhouse gases have been emitted from both the business and household sections. It is essential for Japan to hammer out additional effective measures.

18 industries' additional CO2 emission-cut plans now all present

In the meeting, the Japan Trucking Association, as well as the housing, sugar-refining, and instant-noodle industries presented their respective plans to make deeper cuts in gas emissions. Chemical, paper, and other 15 industries have now pledged to additionally cut gas emissions by about 15.5 million tons. With this figure added to the targeted cut of 4.39 million tons announced by the trucking industry, it is estimated that gas emissions from all

industries will be reduced by nearly 20 million tons.

The Kyoto Protocol requires Japan to cut its greenhouse gas emissions from 1990 levels by an average of 6 PERCENT between 2008 and 2012. According to the government's estimate, unless Japan takes additional measures, the amount of emitted gases is calculated to be 20 to 34 million tons more than the targeted figure as of FY2010.

In industrial circles, an executive of a cement company said: "Economic conditions will affect whether we can translate our plans into action." A senior official of the Environment Ministry said: "Industries should be able to cut more emissions." But a member of the industrial world grumbled: "Pressure for further cuts has been applied not on households and offices but only on industries."

The most serious problem is the fact that the amount of gases emitted from the business and household sections is increasing. The government has taken such measures as waging a campaign for each person to reduce CO2 emissions by 1 kg per day and spreading eco-cars. But it is not realistic to impose restrictions on households. Such measures are not effective but are mainly aimed at raising awareness of the need for emission cuts. The joint committee will work out additional measures in the business, households, and trucking sections and then compile a final report by December.

Electric power and steel industries depend on emission trading

Industrial circles are stepping up efforts to introduce energy-saving equipment and to use fuel that emits less carbon dioxide (CO2) instead of oil. Behind such efforts are expectations for cost cuts by introducing energy-efficient equipment and the recent high oil prices. But their investment burdens are increasingly swelling. Electric power and steel industries, from which huge greenhouse gases are discharged, find it difficult to achieve their targets only with their measures, so they have to depend on emission trading.

Paper companies are expanding the use of recycled fuel instead of heavy oil. The paper industry invested approximately 187 billion yen in energy-saving equipment between FY2007 and FY2010. Of this money, nearly 70 PERCENT reportedly were spent on changes in fuel. The Nippon Paper Group plans to reduce CO2 emissions by about one million tons annually, equivalent to 10 PERCENT of its total gas

TOKYO 00004967 008 OF 009

discharged from its plants in the nation, at its 10 plants by FY2008 by switching fuel from heavy oil to recycled waste wood or paper. It will cost 66 billion yen for new equipment, but the group intends to trim fuel costs by 17 billion yen annually by reducing the use of expensive heavy oil.

Investing 4 to 5 billion yen in its six key plants, from which 80 PERCENT of gases emitted from its all domestic plants is discharged, Fuji Film Holdings intends to switch fuel from heavy oil to natural gas.

The chemical industry invested more than 43 billion yen in saving energy in FY2006. Since the industry doubled its reduction target this time, it will need to prepare 134 million yen in additional costs in FY2007 and beyond. The industry already investigated in effective energy-saving parts. A member of the Japan Chemical Industry Association said: "Our burden might increase with investment in less effective parts."

Meanwhile, 11 industries, including electricity and steel, have worked out their voluntary action plans, but the plans were not implemented in FY2006, so they did not come up further cuts.

Among them, the electric power and steel industries, from which huge greenhouse gases are emitted, think it indispensable to depend on emission trading in order to achieve their targets. The Federation of Electric Power Companies plans to purchase CO2 emission quotas worth approximately 120 million tons by FY1012. The Japan Iron and Steel Federation intends to buy quotas for 44 million tons of CO2.

Under the trading system, companies buy 1 ton of CO2 for about 2,000

yen. In the case of reducing gas emissions through energy-saving measures, about 50,000 yen reportedly is needed to reduce the amount by one ton. But the chemical and paper industries aim to meet their goals by their own measures, based on the judgment that such efforts will lead to slashing costs.

(6) Former Defense Minister Koike in her book criticizes Moriya

ASAHI (Page 4) (Full)  
October 20, 2007

Former Defense Minister Yuriko Koike, a member of the ruling Liberal Democratic Party (LDP), has written a book titled Woman's True Worth - 55 Days in Ichigaya, in which she gives the lowdown on her feud with former Administrative Vice Defense Minister Takemasa Moriya. The book is published by Bungeishunju. Koike assumed the post in July as the first female Japanese defense chief, succeeding her predecessor Fumio Kyuma, who had stepped down as defense minister due to an inappropriate comment. She held the post only until late August. Koike writes in the book that Moriya freely walked over to the Prime Minister's Official Residence to make an appeal to block her planned personnel change. She severely criticized his behavior, describing it as a "February 26 Incident" involving only one person. (TN: The historical incident took place on that day in 1936 when young military officers stormed and occupied the prime minister's official residence and assassinated several senior officials. The incident marked the beginning of a military dictatorship in prewar Japan.)

Koike also reveals in the book that Moriya refused her suggestion that he should become an advisor to the ministry after stepping down

TOKYO 00004967 009 OF 009

as vice minister, citing that it would be difficult to make a living with an advisor's pay. She comments that he might have been under the impression he could easily control a female minister.

Koike also describes exchanges with former Prime Minister Shinzo Abe and former Chief Cabinet Secretary Yasuhisa Shiozaki. She writes that when she urged Abe to accept her personnel change plan, while presenting her resignation, Abe with a sad face sought to persuade her to not to resign, saying sadly, "Please don't tell me you are quitting. I implore you." Regarding Abe's resignation, Koike writes: "I feel sorry for Prime Minister Abe because I caused him even more trouble while he was suffering from the series of scandals and criticisms after the Upper House defeat."

SCHIEFFER